

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE SOUTH )  
LOGAN WATER ASSOCIATION FOR )  
APPROVAL OF A PROPOSED INCREASE )  
IN RATES FOR WATER SERVICE, ) CASE NO. 2002-00481  
APPROVAL TO BORROW FUNDS, AND TO )  
INCREASE NON-RECURRING CHARGES )

ORDER

The Commission, on its own motion, HEREBY ORDERS that:

1. The procedural schedule listed in Appendix A, which is attached hereto and incorporated herein, shall be followed in this case.
2. The South Logan Water Association ( South Logan ) shall respond to the data request, which is attached hereto as Appendix B, on or before July 7, 2003.
3. All requests for information and responses thereto shall be appropriately indexed. All responses shall include the name of the witness who will be responsible for responding to questions related to the information, with copies to all parties of record and an original and 6 copies to the Commission.

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of June, 2003.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2002-00481 DATED June 6, 2003

South Logan s responses to Staff s request for information shall be filed no later than . . .	.07/07/03
All supplemental requests for information and intervenors requests for information to South Logan shall be filed no later than	..07/18/03
South Logan shall file responses to supplemental and intervenors requests for information no later than .	07/25/03
All requests for information to intervenors shall be filed no later than	..07/25/03
Intervenors shall file responses to requests for information no later than ...	.08/08/03
Last day for South Logan to publish notice of public hearing	To be scheduled
Public hearing	To be scheduled

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00481 DATED June 6, 2003

#### FIRST DATA REQUEST OF COMMISSION STAFF TO SOUTH LOGAN WATER ASSOCIATION

1. State South Logan s current position on the issue of collecting a surcharge of 19 cents per 1,000 gallons to repay the city of Adairville ( Adairville ), as is proposed in South Logan s notice to its customers at Exhibit 8 of the application.
2. Has South Logan or any other party to the Logan Todd Regional Water Commission ( Logan Todd ) recently received any funds to help defray the past costs that the surcharge was originally intended to address?
3. If funds have been received to help defray the costs, which the surcharge was intended to address, does South Logan wish to reduce or eliminate the surcharge?
4. If funds are received by any party to Logan Todd to help defray the surcharge costs, or a notice is received that funds will be received in the future, update the Commission on this issue throughout the course of this proceeding.
5. South Logan made an adjustment of \$18,530 to reflect reduced pumping costs due to the change to Logan Todd. Discuss whether or not any other expenses change, including depreciation of plant (\$71,833) and amortization of debt costs (\$20,964), because of the switch to Logan Todd.
6. During the interim rate hearing in this case, South Logan testified that Adairville is no longer providing management and operations services for South Logan. If South Logan has arranged for another contractor to provide those services on a permanent basis, provide a copy of the contract, and discuss whether or not

adjustments should be made to increase or decrease expenses for proposed Management Fees of \$59,514, and proposed Contractual Expenses Other of \$58,759.

7. Because South Logan's application is based on a 2000 test period, discuss whether any other expense adjustments (other than those mentioned previously relative to the Logan Todd and Adairville changes) should be made for changes that have occurred since that time.

8. According to South Logan's 2002 annual report on file with the Commission, line loss for 2002 was 14 percent, which is lower than the line loss experienced during the test period proposed in this case. Therefore, update South Logan's current position on the request for deviation filed with the application at Exhibit 11, including whether or not that deviation request is moot at this point.

9. In 2001, Commission Staff assisted South Logan in the preparation of a rate application that was never filed. At that time, Staff adjusted South Logan's revenues to reflect a Purchased Water Adjustment increase (Case No. 2001-00103) and the transfer of 75 customers to the city of Russellville, resulting in a net revenue increase of \$8,054. In this case, the application at Exhibit 4, Adjustment 1 refers to a decrease of \$39,531 as a result of loss of sales to Todd County. The adjustment further reduces revenues by \$8,054. Provide a detailed explanation of this adjustment.

10. Refer to Exhibit 7 of the application, calculation of customer charge. Provide a detailed explanation of all calculations and assumptions used to establish the monthly rates for the various meter sizes.

11. The normalized billing analysis filed as Exhibit 5 of the application lists normalized sales as 139,766,100 gallons. The Cost-of-Service Study filed as Exhibit 7

calculated rates based on water sales of 125,277,000 gallons. Provide a detailed explanation of all adjustments to water sales.

12. The application requests a surcharge of \$0.19 per 1,000 gallons. Provide a detailed explanation of all calculations and assumptions used to establish the surcharge rate.

13. Provide an explanation of the \$25 Customer Application Fee. When will the fee be assessed? What other fees will be assessed to a new customer?